

Internal control and compliance-controls effective methods of management, detection and prevention of financial statement fraud

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Abstract

This article discusses the problem of financial statement fraud. It should be noted that the fraud with the financial statement leads to financial and non-financial losses, such as deterioration of business reputation and image of the company, decline in investment and consumer appeal, the destruction of relationships with business partners and other losses, that can have a negative impact on the company's activity. The article points out that internal control is one of the effective methods of management and control the activity of organization, describes the method of external and internal accounting compliance-control as one of the methods of prevention of financial statement falsification.

Keywords

Compliance-control, COSO, ERM COSO, External compliance-control, Falsification of financial statement, Financial statement fraud, Internal compliance-control, Internal control